

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:							
OGM	Pete Hess Environmental Scientist III						
Company	Patrick D. Collins Resident Agent						

Inspection Report

Permit Number:	C0070012 PARTIAL		
Inspection Type:			
Inspection Date:	Tuesday, January 16, 2007		
Start Date/Time:	1/16/2007 10:00:00 AM		
End Date/Time:	1/16/2007 12:15:00 PM		
Last Inspection:	Friday, December 15, 2006		

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, cold, 20's

InspectionID Report Number: 1196

Accepted by: whedberg

Permitee: NEVADA ELECTRIC INVESTMENT CO Operator: NEVADA ELECTRIC INVESTMENT CO Site: WELLINGTON PREPARATION PLANT

Address: 330 E 400 S STE 6, PO BOX 337 SPRINGVILLE UT 84663

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages		Mineral Ownership	Types of Operations		
1,573.50	Total Permitted	☐ Federal	Underground		
392.00	Total Disturbed	☐ State	Surface		
	Phase I	☐ County	✓ Loadout		
	Phase II	✓ Fee	✓ Processing		
	Phase III	Other	Reprocessing		

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee's resident agent notified the Division on January 17, 2007 that the fourth quarter water monitoring for the Wellington permit area was in the pipeline ready for uploading to the Division electronic data base. Thus, the Permittee continues to meet the Special Condition included as Attachment "A" of the current State permit. There are no pending compliance actions.

The site is covered with frozen, compacted snow; temperatures vary from sub-zero to teens Fahrenheit during the day.

Inspector's Signature:

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov Date

Thursday, January 18, 2007

Permit Number: C0070012 Inspection Type: PARTIAL

Inspection Date: Tuesday, January 16, 2007

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
- b. For PARTIAL inspections check only the elements evaluated.
- Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
 Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale				
2.	Signs and Markers	✓			
3.	Topsoil				
4.a	Hydrologic Balance: Diversions	✓		V	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		V	
4.c	Hydrologic Balance: Other Sediment Control Measures				
4.d	Hydrologic Balance: Water Monitoring	V			
4.e	Hydrologic Balance: Effluent Limitations	✓			
5.	Explosives		✓		
6.	Disposal of Excess Spoil, Fills, Benches				
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓			
8.	Noncoal Waste	✓		✓	
9.	Protection of Fish, Wildlife and Related Environmental Issues				
10.	Slides and Other Damage		✓		
11.	Contemporaneous Reclamation	✓		✓	
12.	Backfilling And Grading				
13.	Revegetation				
14.	Subsidence Control		V		
15.	Cessation of Operations	✓		✓	
16.8	a Roads: Construction, Maintenance, Surfacing	✓		V	
16.b	Roads: Drainage Controls				
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations				
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance	V		✓	
22.	Other				

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4.a Hydrologic Balance: Diversions

A review of the DOGM inspection reports for the months of November and December 2006 revealed that there are three diversions that are in need of maintenance; these are UD-1, which parallels the main access road to the site (west side of property); culvert C-19 (24-inch culvert under the County road identified as Farnham road); and culvert C-26 (a ten-inch diameter steel pipe separating the upper refuse basin sediment pond from the lower refuse basin sediment pond). At present, the site is covered with frozen, compacted snow. Ground conditions are too soft to address the required maintenance. The followup of the required maintenance will be conducted when ground conditions and temperatures improve.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The site contains eight impoundments, which are inspected quarterly as well as annually. Mr. Collins perfroms the quarterly inspections with Mr. Dan Guy, Utah registered professional engineer performing the annual inspection and certification of the ponds. The upper and lower refuse ponds and the clear water pond are classified as MSHA ponds. The required inspection frequency is every thirty days, based upon MSHA approval of a variance to the required frequency established under 30 CFR 77. 216 (See also R645-301-513.200).

8. Noncoal Waste

There was no combustible non-coal waste visible during today's inspection. Some steel pipe and support trusses remain on site from the operational period slurry line. Mr. Collins indicated these still have value and the Permittee does not want to merely scrap them. Some interest in these items from the outside does exist.

11. Contemporaneous Reclamation

The Permittee reclaimed the pump house associated with the clear water collection well located in the riparing area of the Price River. This was felt to be necessary as part of the abatement of N06-37-1-1. A large heavy piece of concrete rests atop the well casing to prevent unauthorized access. Mr. Collins indicated that if the Permittee had plugged the casing, the water rights associated with this well would have been lost. The Permittee did not want that to happen.

15. Cessation of Operations

There is no activity occurring at the site.

16.a Roads: Construction, Maintenance, Surfacing

All roads are snow covered.

21. Bonding and Insurance

The current general liability insurance policy will expire on February 9, 2007.